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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-15-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

OCT 26 2015

Lynne A. Valenti
Cabinet Secretary
Department of Social Services
700 Governors Drive
Pierre, South Dakota 57501-2291

Re: South Dakota 15-0005

Dear Ms. Valenti:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-0005. Effective for services on or after July 1, 2015, this amendment updates the payment pool amount for direct graduate medical education.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 15-0005 is approved effective July 1, 2015. The CMS-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy Hill', written over a horizontal line.

Timothy Hill
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

| | | |
|--|---|----------------------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER: SD-15-005 | 2. STATE: South Dakota |
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE July 1, 2015 | |
| 5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT | | |

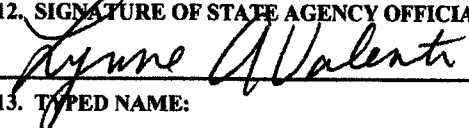
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

| | |
|--|---|
| 6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.272 | 7. FEDERAL BUDGET IMPACT: a. FFY 2015: \$ 0.00 b. FFY 2016: \$ 0.00 |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 10 | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 10 |

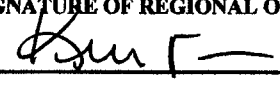
10. SUBJECT OF AMENDMENT:
This State Plan Amendment removes obsolete language pertaining to the GME payment pool and moves the payment pool amount to the Department's website.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

| | |
|---|--|
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:  | 16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291 |
| 13. TYPED NAME: Lynne A. Valenti | |
| 14. TITLE: Cabinet Secretary | |
| 15. DATE SUBMITTED: 8/5/15 | |

FOR REGIONAL OFFICE USE ONLY

| | |
|--|--|
| 17. DATE RECEIVED: | 18. DATE APPROVED: OCT 26 2015 |
| IF C/A APPROVED, ONE COPY ATTACHED | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2015 | 20. SIGNATURE OF REGIONAL OFFICIAL:  |
| 21. TYPED NAME: Kristin Faw | 22. TITLE: Deputy Director, FMG |
| 23. REMARKS: | |

HEALTH PROFESSION EDUCATION

The Department of Social Services supports the direct graduate medical education (GME) of health professionals through the use of Medicaid funds. All in-state, private hospitals which are accredited by the Accreditation Council for Graduate Medical Education (ACGME) are eligible for health profession education payments. Those hospitals are identified through the use of their most recently-filed Medicare 2552-10, cost reports. Specifically, worksheet E-4 (Line 1.00) is utilized to identify the number of weighted full-time equivalents for primary care physicians at participating facilities. The agency calculates the Medicaid hospital patient days using the Division of Medical Services (DMS) Cost Settlement Details report of adjudicated claims for the same period as the Medicare 2552 cost report.

Hospitals seeking GME payments must submit an application to DMS prior to the end of the State Fiscal Year. The agency will make payments, as defined below, annually prior to the end of the state fiscal year through the State's Medicaid Management Information System (MMIS) payment system. Payments will be made directly to the qualifying hospitals through a supplemental payment mechanism and will appear on the facility's remittance advice. Each hospital will receive written notification at the time of payment of the payment amount from DMS. GME payments made in error will be recovered via a supplemental recovery mechanism and will appear on the facility's remittance advice. The agency will notify the facility in writing explaining the error prior to the recovery. A hospital must notify DMS in writing within 30 days of the effective date if it intends to terminate operation of a GME program, and must notify DMS in writing prior to the end of the State Fiscal Year if it does not wish to participate in the funding pool regardless of whether it is continuing GME.

The agency will determine the annual payment pool prior to the beginning of each State Fiscal Year on July 1.

The pool will be distributed based upon the allocation percentage of each hospital. The hospital allocation percentage will be developed using prior year total Medicaid inpatient days and weighted intern and resident (I & R) full time equivalency (FTE). The State uses the prior year's cost report data as a proxy for the current year. For example, the State Fiscal Year 2008 calculation of allocations from the payment pool was as follows:

| | (a) Weighted I & R FTEs | (b) Medicaid Hospital Patient Days | (c) (a*b) Weighted FTE Days | (d) Hospital Allocation Percentage | Payment Pool Total |
|------------|----------------------------------|---|--------------------------------------|---|--------------------------|
| Hospital A | 17 | 11,450 | 194,650 | 35.34% | \$1,052,009 |
| Hospital B | 22 | 10,692 | 232,230 | 42.16% | \$1,255,116 |
| Hospital C | 23 | 5,342 | 123,988 | 22.51% | \$670,107 |
| Totals | 62 | 27,484 | 550,868 | 100.00% | \$2,977,233 |

Total State funds available for payment through the pool are listed on the department's website, <http://dss.sd.gov/medicaid/providers/feeschedules/>, effective July 1, 2015.